

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.3303 Definitions.

Sec. 3303. As used in this chapter:

(a) "Automobile insurance" means insurance for automobiles which provides any of the following:

(i) Security required pursuant to section 3101.

(ii) Personal protection, property protection, and residual liability insurance for amounts in excess of the amounts required under chapter 31.

(iii) Insurance coverage customarily known as comprehensive and collision.

(iv) Other insurance coverages for a private passenger nonfleet automobile as prescribed by rule promulgated by the commissioner.

(b) "Qualified applicant", for automobile insurance, means a person who is an owner or registrant of an automobile registered or to be registered in this state or who holds a valid license to operate a motor vehicle, but does not include any of the following:

(i) A person who is not required to maintain security pursuant to section 3101, unless the person intends to reside in this state for 30 days or more and makes a written statement of that intention on a form approved by the commissioner.

(ii) A person whose license to operate a vehicle is under suspension or revocation, unless the suspension was made pursuant to section 310, 310b, 310d, 315, 321a, 324, 328, 512, 515, 625, 625b, 625f, 748, 801c, or 907 of Act No. 300 of the Public Acts of 1949, as amended, being sections 257.310, 257.310b, 257.310d, 257.315, 257.321a, 257.324, 257.328, 257.512, 257.515, 257.625, 257.625b, 257.625f, 257.748, 257.801c, and 257.907 of the Michigan Compiled Laws.

(iii) A person whose policy of automobile insurance has been cancelled because of nonpayment of premium or finance premium within the immediately preceding 2-year period, unless the applicant or insured pays in full a premium installment developed under section 3350(a) before issuance, continuation, or renewal of the policy.

(c) "Facility" means the automobile insurance placement facility created pursuant to this chapter.

(d) "Participating member" means an insurer who is required by this chapter to be a member of the facility and who in any given calendar year has a participation ratio greater than zero in the facility for that year.

(e) "Participation ratio" means the ratio of the participating member's Michigan premiums or exposure units to the comparable statewide totals for all participating members, as follows:

(i) For private passenger nonfleet automobile insurance, for distribution of risk or distribution of loss, the ratio shall be based on voluntary net direct automobile insurance car years written in this state for the calendar year ending December 31 of the second prior year as reported to the statistical agent of each participating member as private passenger nonfleet exposure.

(ii) For all other automobile insurance, including insurance for fleets, commercial vehicles, public vehicles, and garages, the ratio for distribution of risks or distribution of loss shall be based on the total Michigan automobile insurance gross direct premiums written, including policy and membership fees, less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, reduced by the amount of premiums reported as private passenger nonfleet for the calendar year ending December 31 of the second prior year.

(iii) For expenses of operation of the facility and for voting rights, the ratio shall be based on the total Michigan automobile insurance gross direct premiums written, including policy and membership fees, less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded for the calendar year ending December 31 of the second prior year.

(f) "Private passenger nonfleet automobile" means a motorized vehicle designed for transporting passengers or goods, subject to specific contemporary definitions for insurance purposes as provided in the plan of operation.

History: Add. 1969, Act 346, Eff. Apr. 1, 1970;—Am. 1971, Act 210, Imd. Eff. Dec. 29, 1971;—Am. 1979, Act 145, Eff. Jan. 1, 1981;—Am. 1980, Act 461, Imd. Eff. Jan. 15, 1981.

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